

HOV 12 2009

LANGENCE K. BAERMAN, CLER

## IN THE UNITED STATES DISTRICT COURT. FOR THE NORTHERN DISTRICT OF NEW YORK

\*\*\*\*\*\*\*\*\*\*\*

UNITED STATES OF AMERICA

Criminal Action No.

FRANK ONOFF

v.

09-CR-319 (DNH)

PLEA (AND COOPERATION)
AGREEMENT

Defendant.

\*\*\*\*\*\*\*\*\*\*

ANDREW T. BAXTER, Acting United States Attorney for the Northern District of New York (by Craig A. Benedict, Assistant U.S. Attorney and Todd Gleason, DOJ Trial Attorney, appearing) and Frank Onoff (with Stuart LaRose, Esq., appearing) hereby enter into the following Plea Agreement regarding the disposition of certain criminal charges against the Defendant:

- Defendant's Promises. In return for the consideration described below, FRANK
   ONOFF agrees as follows:
- a. The Defendant will withdraw his previous plea of "Not Guilty" and enter a plea of "Guilty" to Count One of Indictment 09-CR-319 charging him with a conspiracy to defraud the United States, to violate the Clean Air Act, to violate the Toxic Substances Control Act, and to commit mail fraud, in violation of 18 U.S.C. § 371.

- b. The Defendant consents to the entry of an order directing him to pay restitution in full to any person who would qualify as a victim, under 18 U.S.C. § 3663 or § 3663A, whether or not the offense(s) are encompassed in the offense of conviction.
- c. The Defendant will cooperate with the United States in the investigation and prosecution of others, as more fully set forth below.
- 2. **Potential Penalties.** FRANK ONOFF understands that his guilty plea to Count One will subject him to the following potential penalties:
  - a. Maximum Term of Imprisonment: 5 years. (18 U.S.C. § 371)
- b. <u>Supervised Release</u>: In addition to imposing any other penalty, the sentencing Court may require the Defendant to serve a term of supervised release of up to 3 years, to begin at the expiration of any term of imprisonment imposed upon him. (18 U.S.C. § 3583) Should the Defendant be placed on a term of supervised release and subsequently violate any of the terms and conditions of that release before the expiration of such term, he may be sentenced to up to 2 years imprisonment in addition to any prison term previously imposed upon him and in addition to the statutory maximum term of imprisonment set forth above. Under some circumstances, the Court may also extend the term of supervised release, and it may modify, reduce, or enlarge the conditions of such release.
- may impose an alternative fine of the greater of \$250,000 or twice the pecuniary gain to the Defendant or loss to any victim resulting from the offense of conviction. (18 U.S.C. § 3571(b) & (d))

- d. <u>Mandatory Restitution</u>: Pursuant to the Mandatory Victim Restitution Act, the sentencing Court must order that the Defendant pay restitution to any victim. (18 U.S.C. § 3663A)
- e. <u>Special Assessment</u>: The Defendant will be required to pay an assessment of \$100, which is due and payable at the time of sentencing. (18 U.S.C. § 3013) The Defendant agrees to deliver a check or money order to the Clerk of the Court in the amount of \$100, payable to the U.S. District Court at the time of his sentencing.
- f. <u>Interest and Penalties</u>: Interest and penalties may accrue, as a matter of law, on any unpaid financial obligation imposed as part of the Defendant's sentence, from as early as the date of sentencing.
- g. <u>Collateral Consequences</u>: Conviction of a felony [under this Agreement] may result in the loss of certain civil rights, including, but not limited to, the right to vote or the right to possess firearms.
- 3. Sentencing Factors. FRANK ONOFF understands that the sentence to be imposed upon him is within the discretion of the sentencing Court, subject to the statutory maximum penalties and the provisions of the Sentencing Reform Act and the United States Sentencing Guidelines promulgated thereunder, as modified by *United States v. Booker*, 543 U.S. 220 (2005). While the Court is not ultimately bound to impose a sentence within the applicable Sentencing Guidelines range, it must take into account the Sentencing Guidelines, along with the other factors set forth in 18 U.S.C. § 3553(a). The United States Attorney's Office will ask the Court to apply the Guidelines in effect on the date of sentencing, pursuant to 18 U.S.C. § 3553(a)(4)(A)(ii) and

- U.S.S.G. § 1B1.11, even if the application of the Guidelines in effect at the time the defendant committed the offense would generate a lower sentencing range.
- 4. <u>Elements of the Offense.</u> FRANK ONOFF understands the following legal elements of the offense stated in Count One, and admits that those elements accurately describe his criminal conduct:
- a. FRANK ONOFF understands the following legal elements of the offense stated in Count One and admits that those elements accurately describe his criminal conduct:

  (1) The existence of an agreement,
  - (2) between two or more persons,
- (3) to do something the law forbids, in this case, to defraud the United States, to violate the Clean Air Act, to violate the Toxic Substances Control Act and to commit mail fraud and,
  - (4) and the commission of an overt act in furtherance of the conspiracy.
- 5. <u>Factual Basis for the Plea.</u> FRANK ONOFF admits the following facts, which establish his guilt with respect to the offense stated in Count One:
- a. In approximately 1989, the defendant took training required by the State of New York to become, and did become, a licensed asbestos handler and supervisor.
- b. For approximately ten years, from 1998 through 2008, FRANK ONOFF has worked in the asbestos Abatement/Removal field for Paragon Environmental Construction, Inc. (PEC) as a supervisor and a worker.

- c. During this time, he performed work, and directed the work of other PEC employees, on asbestos abatement projects. The defendant, and workers he directed, disturbed asbestos in a manner that he and they knew violated the Clean Air Act, Occupational Health and Safety Administration (OSHA), and New York State Code Rule 56 asbestos regulations as set forth in Count One and as stated below. Specifically, during the course of the conspiracy, he and PEC employees for whom he was in charge disturbed regulated asbestos containing material (RACM, or hereafter "asbestos") without adhering to the laws governing the proper pre-cleaning of the work site, safe and proper stripping (use of adequate water), containment, removal, and disposal of such asbestos, and without wearing, and having workers wear, OSHA personal air pumps to ensure they did not exceed federal exposure levels. The above-described work practices were performed whenever possible in a manner intended to avoid detection by Federal and state inspectors.
- d. This work included the above-stated illegal activities at dozens of locations throughout the City of Syracuse and elsewhere. This work was often performed within former residential structures that the City of Syracuse wished to demolish to build new commercial and public buildings, among other structures. It further included the above-stated illegal activities at dozens of residential structures on reservation property owned by Native American tribes.
- e. The defendant admits that he and PEC utilized the air monitoring and laboratory services of Certified Environmental Services, Inc. (CES), whenever possible. This

was for two reasons. First, an owner of CES was also an owner of PEC. Thus, it was more profitable for that owner if both companies worked together on the same projects, despite such a practice being prohibited by law. The defendant knew, as did all involved, that it was an illegal conflict of interest for an owner of an asbestos removal company to also own the company that performed the air monitoring and laboratory work on the same projects. The defendant spoke with an owner of PEC about this conflict, who also acknowledged knowing it was prohibited by law. The defendant acknowledges knowing that this conflict of interest went on for many years.

- f. Second, and more significantly, the defendant and PEC utilized CES because CES could be counted upon to produce fraudulent passing results for final air clearances. In this regard, a great many projects received passing final air clearance results that should not have passed because readily visible debris, including in some instances asbestos, was left behind in the work area. Indeed, sample results were obtained in many instances without the air monitor even entering the work area to conduct an inspection to determine if the area was ready for final clearance sampling. Rather, the monitor merely cut a whole in the plastic enclosure and put his monitoring probe through the hole.
- g. Although he was often not in the work area throughout final sampling, the defendant was many times present just outside the work area when the air monitor brought his or her equipment into the work area. The defendant never observed air monitors from CES bring leaf blowers and box fans in order to agitate the air to engage in "aggressive"

sampling" as was required by law. In addition to not seeing leaf blowers and box fans, he also knew leaf blowers had not been used from the lack of sound that such a device makes when being used. Finally, when on fairly rare occasions that clearance samples failed (despite the lack of aggressive air monitoring), CES could be counted on to produce passing results with less thorough re-cleaning than should have been required in order to gain passing results.

- h. The defendant is aware that CES air monitors had a field supervisor who was supposed to supervise their work to ensure it was being done properly. Except on extraordinarily rare occasions, which lasted at most for a matter of minutes, the defendant never saw her in the field supervising any of her air monitors. Rather, they were virtually unsupervised over the course of years.
- i. The defendant was aware that final air clearance sampling analysis was routinely mailed to clients to demonstrate that all asbestos had been removed as promised, and to gain payment for which it was not otherwise entitled.
- j. The defendant acknowledges that on several occasions he did not provide truthful information to federal and state law enforcement personnel when questioned about his conduct and that of CES employees. Among other inaccurate information, the defendant admits that he falsely stated that all CES air technicians always brought leaf blowers and box fans with them to every asbestos project the defendant was ever on, and that he knew they did so because he saw it. The defendant acknowledges that this statement was

false and was made in an to attempt to protect himself, his co-defendants, PEC, CES and its employees. Further, he did not see CES air technicians ever bring rotometers with them to calibrate the accuracy of their air testing equipment, which he knows is required prior to the start and at the conclusion of air sampling. He knew that bringing rotometers was meaningless, because without required "aggressive" sampling techniques, the final results would be meaningless.

- k. The Defendant understands that the sentencing Court may make factual findings with respect to any and all sentencing factors and issues, including those referenced in the United States Sentencing Guidelines, whether or not such factors or issues have been admitted by the Defendant or stipulated by the parties. In making those findings by a preponderance of the evidence, the Court may consider any reliable evidence, including hearsay. The Defendant agrees that his sentence may be determined based upon such judicial fact-finding.
- 6. <u>Use of Defendant's Admissions.</u> The Defendant agrees that the statements made by him in signing this Agreement, including the factual admissions set forth above [in paragraph 5], shall be admissible and useable against the Defendant by the United States in any subsequent criminal or civil proceeding, even if he fails to enter a guilty plea pursuant to this Agreement, or if such a guilty plea is later vacated or withdrawn. The Defendant waives any rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410, to the extent these rules are inconsistent with this paragraph or with this Agreement generally.

- 7. Collection of Financial Obligations. In order to facilitate the collection of financial obligations to be imposed in connection with this prosecution, the Defendant agrees fully to disclose all assets in which he has any interest or over which the Defendant exercises control, directly or indirectly, including those held by a spouse, nominee or other third party.
- a. The Defendant will promptly submit a completed financial statement to the U.S. Attorney's Office, in a form it provides and as it directs. The Defendant promises that his financial statement and disclosures will be complete, accurate and truthful.
- b. The Defendant expressly authorizes the U.S. Attorney's Office to obtain a credit report on him in order to evaluate the Defendant's ability to satisfy any financial obligation imposed by the Court.
- 8. <u>Defendant's Cooperation.</u> FRANK ONOFF agrees to cooperate with the United States pursuant to the following terms and conditions:
- a. The Defendant will truthfully disclose all information with respect to the activities of the Defendant and others concerning all matters about which the U.S. Attorney's Office and law enforcement agencies designated by this Office may inquire of him.
- b. The Defendant will cooperate fully with the U.S. Attorney's Office and the designated law enforcement agencies, in any manner requested, in any criminal investigation.

- c. The Defendant will testify truthfully before the grand jury and/or at any trial or other proceeding with respect to any matters about which he may be questioned.
- d. The Defendant will not reveal his cooperation or any information with respect to any related investigation or prosecution to anyone, without the prior consent of the U.S. Attorney's Office.
- e. The Defendant will at all times give complete, truthful, and accurate information and testimony. The Defendant will neither attempt to protect any person who has been involved in criminal activity, nor will he falsely implicate anyone in criminal activity.
- f. The Defendant consents to adjournments of sentencing pending the completion of his cooperation, as determined to be necessary by the U.S. Attorney's Office.
- g. The Defendant will not commit any further crime whatsoever, nor will he violate any condition of release or supervision imposed by the Court.
- h. The Defendant understands that he is entitled to have an attorney present at any session during which he provides testimony, information or other cooperation to the U.S. Attorney's Office or any designated law enforcement agency pursuant to this Agreement. The Defendant hereby waives any right to have an attorney present at such sessions unless and until the Defendant or his attorney expressly informs the Assistant U.S. Attorney or designated law enforcement agent that the attorney's presence is desired.

- i. Any self-incriminating information provided by the Defendant, pursuant to his cooperation, which was not previously known to the United States, and any information directly or indirectly derived therefrom, may not be used against him by this Office in a further criminal prosecution of him, except in (i) a prosecution for perjury, making a false statement, or obstruction of justice; (ii) a prosecution for any homicide or act of terrorism; or (iii) any prosecution of the Defendant permitted herein as a result of his failure to comply with the terms of this Agreement.
- j. At or before the time of sentencing, the U.S. Attorney's Office will advise the Court of the nature and extent of the cooperation and assistance provided by FRANK ONOFF pursuant to this Agreement. If the U.S. Attorney's Office determines in its sole discretion that the Defendant has provided "substantial assistance" in the investigation or prosecution of other persons who have committed offenses, it may, in its sole discretion, recommend a downward departure pursuant to either or both U.S.S.G. § 5K1.1 and/or 18 U.S.C. § 3553(e). However, the U.S. Attorney's Office has not promised that such a motion will be made.
- i. In deciding whether the Defendant has provided "substantial assistance" warranting a motion for a downward departure under § 5K1.1, the U.S. Attorney's Office may consider any fact that, in its sole discretion, it deems relevant, including facts known to this Office at the time of the execution of this Agreement. However, the decision of the U.S. Attorney's Office with respect to a motion for a downward

departure will not be conditioned upon any particular outcome of any criminal investigation or prosecution.

- ii. If the sentencing of the Defendant is conducted before he has, in the judgment of the U.S. Attorney's Office, completed his cooperation, the U.S. Attorney's Office may, in its sole discretion, decline to make a motion for a downward departure under § 5K1.1 and defer its determination as to whether the Defendant has provided "substantial assistance" warranting a motion for a downward departure under Fed. R. Crim. P. 35(b) for up to one year after sentencing.
- iii. Should the U.S. Attorney's Office decide to make a motion for downward departure pursuant to either or both U.S.S.G. § 5K1.1, its recommendation as to the extent of such a departure is a matter within the sole discretion of the United States Attorney.
- iv. Even if a motion for departure is made by the U.S. Attorney's Office, based upon the Defendant's perceived "substantial assistance," the final decision as to how much, if any, reduction in sentence is warranted because of that assistance, rests solely with the sentencing Court.
- 9. Government's Promises and Reservation of Rights. In exchange for the plea of guilty to Count one by FRANK ONOFF and his continuing compliance with all of the terms of this Plea Agreement, the United States Attorney's Office for the Northern District of New York agrees as follows:

- a. At the time of sentencing, it will move to dismiss the remaining charge(s) against the Defendant in Indictment 09-CR-319 for so long as the guilty plea and sentence on Count One remains in effect.
- b. It will bring no further federal criminal charges against the Defendant relating to the conduct in the Northern District of New York, committed before the date of this Agreement, which is described in the Indictment and the Defendant's admissions in paragraph 5 above, for so long as the guilty plea and sentence on Count One remains in effect.
- dismissed or not prosecuted pursuant to this Agreement may be filed and prosecuted, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the filing of any such charges. The Defendant waives any defense or objection to the filing and prosecution of any such charges that are not time-barred by the applicable statute of limitations as of the date of this Agreement.
- d. It reserves the right to recommend a specific sentence within the applicable Guidelines range determined by the Court.
- e. The U.S. Attorney's Office reserves the right to advise the sentencing Court and the Probation Office of any information, in aggravation or mitigation of sentencing, whether or not encompassed within Count One.

## 10. Stipulations

- i. The U.S. Attorney's Office will recommend a 2-level downward adjustment to the applicable Sentencing Guidelines range if, (A) through the time of sentencing, the Defendant clearly demonstrates "acceptance of responsibility" to the satisfaction of the Government for the offense [of conviction], as defined in U.S.S.G. § 3E1.1(a); and (B) the Government does not learn of new evidence of conduct committed by the Defendant, either before or after his guilty plea, that constitutes "obstruction of justice," as defined in U.S.S.G. § 3C1.1. If the Defendant clearly demonstrates "acceptance of responsibility" to the satisfaction of the Government and promptly enters a plea of guilty, thereby permitting the U.S. Attorney's Office to avoid preparing for trial and permitting the Government and the Court to allocate their resources efficiently, the U.S. Attorney's Office will move for an additional downward adjustment of 1 level, if the Defendant otherwise qualifies under U.S.S.G. § 3E1.1(b).
- ii. There are no facts and circumstances that would warrant an upward or downward departure from the applicable Sentencing Guidelines range in this case and a sentence within that range would be reasonable.
- b. Until the Probation Office has fully investigated the defendant's criminal history, it is not possible to predict with certainty the Defendant's Criminal History Category and, in some cases, his total offense level. The Defendant understands that, under certain circumstances, his criminal history may affect his base offense level under the Sentencing Guidelines. The parties agree that, if the presentence investigation reveals that

the Defendant's criminal history may support a base offense level different than that stipulated in this Agreement, the parties will be released from their stipulation as to the base offense level and may advocate with respect to how the Defendant's criminal history affects his base offense level.

- c. It is understood that these stipulations cannot and do not bind the sentencing Court, which may make independent factual findings by a preponderance of the evidence and may reject any or all stipulations between the parties. The rejection of any or all stipulations by the Court will not be the basis for the withdrawal of a plea of guilty by the Defendant, and will not release either the U.S. Attorney's Office or the Defendant from any other portion of this Agreement, including any other stipulations agreed to herein.
- d. No stipulation in this Agreement shall affect the parties' respective obligations to ensure that, to the extent possible, the Court has all information pertinent to its determination of an appropriate sentence. The parties may provide any such factual information to the Probation Office and/or to the Court, without limitation, before or after the completion of the Presentence Investigation Report, and agree that the submission of such information shall not be deemed "advocacy" in violation of any stipulation in this Agreement.
- e. To the extent the stipulations above do not reflect agreement on any factor or issue potentially affecting the applicable advisory Sentencing Guidelines range, the

Defendant and the U.S. Attorney's Office each expressly reserves the right to advocate if, and how, any such factor or issue would apply under the Sentencing Guidelines.

- Preliminary Sentencing Guidelines Estimates. The Defendant understands that any estimate of the Defendant's total offense level, criminal history score, and/or Sentencing Guidelines range provided before sentencing is preliminary and is not binding on the parties to this Agreement, the Probation Office, or the Court.
- Remedies for Breach. Should the U.S. Attorney's Office determine that the Defendant, after the date of this Plea Agreement, (i) has committed any further crime or violated any condition of release or supervision imposed by the Court (whether or not charged); (ii) has given false, incomplete, or misleading testimony or information; or (iii) has otherwise breached any condition of this Agreement, the U.S. Attorney's Office will have the right, in its sole discretion, to void this Agreement, in whole or in part. In the event of any such breach, the Defendant will not be permitted to withdraw his guilty plea under this Agreement, but will thereafter be subject to prosecution for any federal criminal violation of which the U.S. Attorney's Office has knowledge, including but not limited to charges that this Office has agreed to dismiss or has agreed not to prosecute in subparagraphs 9a and 9b of this Agreement.
- a. The Defendant waives any defense or objection to the commencement of any such prosecution that is not time-barred by the applicable statute of limitations as of

the date of this Agreement, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of any such prosecution.

- b. Moreover, in connection with any such prosecution, any information, statement, or testimony provided by the Defendant, and all leads derived therefrom, may be used against him, without limitation. The Defendant waives any rights under Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410, to the extent these rules are inconsistent with this paragraph or with this Agreement generally.
- c. In the event of any such breach by the Defendant, the U.S. Attorney's Office will have the right, in its sole discretion, to do the following, notwithstanding any contrary provision or stipulation in this Plea Agreement:
- i. to advocate if, and how, any particular adjustment or specific offense characteristic affects the applicable Sentencing Guidelines range;
- ii. to utilize any information, statement, or testimony provided by the Defendant in determining the applicable Sentencing Guidelines range;
- iii. to decline to move for and/or to withdraw a motion for a downward departure under U.S.S.G. § 5K1.1, even if the Defendant had provided "substantial assistance" to the United States prior to breaching any term of this Agreement;
- iv. to recommend a specific sentence of imprisonment within or above the applicable Sentencing Guidelines range determined by the Court.

- Office for the Northern District of New York and cannot bind other federal, state or local prosecuting authorities. Furthermore, this Agreement does not prohibit the United States, any agency thereof, or any third party from initiating or prosecuting any civil or administrative proceedings directly or indirectly involving the Defendant, including, but not limited to, proceedings by the Internal Revenue Service relating to potential civil tax liability or proceedings relating to the forfeiture of assets.
- 14. Agreement Not Binding on the Court. The Court is neither a party to, nor bound by this Agreement. The Court may accept or reject this Plea Agreement or defer a decision until it has considered the Presentence Investigation Report prepared by the U.S. Probation Office.
- a. If the Court rejects the provisions of this Agreement permitting the Defendant to plead guilty to Count One in satisfaction of other charges, which provisions were negotiated pursuant to Fed. R. Crim. P. 11(c)(1)(A), the Court will afford the Defendant an opportunity to withdraw his plea of guilty prior to sentencing, pursuant to Fed. R. Crim. P. 11(c)(5) & (d).
- b. The Court is not bound by any recommendation, stipulation, or request made by the parties, pursuant to Fed. R. Crim. P. 11(c)(1)(B), as to the appropriate sentence, and the Defendant may not withdraw his plea of guilty if the Court declines to follow any such recommendation, stipulation, or request. The U.S. Attorney's Office reserves the right

to support and defend, in connection with any post-sentencing proceedings, any decision the Court may make with regard to the Defendant's sentence, whether or not such decision is consistent with this Office's recommendations[, stipulations,] or requests.

- each of the provisions of the entire Plea Agreement with the assistance of counsel and understands its provisions. The Defendant further acknowledges that his plea is voluntary and did not result from any force, threat, or promises (other than the promises in this Plea Agreement).
- a. The Defendant understands his right to assistance of counsel at every stage of the proceeding and has discussed his constitutional and other rights with defense counsel. The Defendant understands that by entering a plea of guilty, he will be giving up his rights (i) to be presumed innocent until proven guilty beyond a reasonable doubt; (ii) to plead not guilty; (iii) to trial by jury; (iv) to confront, cross-examine, and compel the attendance of witnesses at trial; (v) to present evidence in his defense; and (vi) to remain silent and refuse to be a witness against himself by asserting the privilege against self-incrimination.
- b. The Defendant has been advised by defense counsel of the nature of the charges to which he is entering a guilty plea and the nature and range of the possible sentence. The Defendant understands the sentencing Court's obligation to consider the United States Sentencing Guidelines (as explained further in paragraph 3 above) and the

Court's discretion to depart from those Guidelines under some circumstances or otherwise to impose a reasonable sentence outside of the applicable Sentencing Guidelines range.

- after consultation with defense counsel, he fully understands the extent of his rights to appeal, and/or to collaterally attack the conviction and sentence in this case. The Defendant waives any and all rights, including those conferred by 18 U.S.C. § 3742 and/or 28 U.S.C. § 2255, to appeal or collaterally attack his conviction and any sentence of imprisonment of 51 months or less, including any related issues with respect to the establishment of the advisory Sentencing Guidelines range or the reasonableness of the sentence imposed. The Defendant acknowledges that the number of months specified above is not a promise of any particular sentence and is not binding on the Court. The Defendant agrees that, should the sentence imposed exceed 51 months, this would not permit him to withdraw his guilty plea or to appeal or collaterally attack his conviction, but would merely allow the Defendant to appeal or collaterally attack the sentence imposed by the Court, to the extent permitted by 18 U.S.C. § 3742 and/or 28 U.S.C. § 2255.
- 17. <u>Memorialization of Agreement.</u> No promises, agreements or conditions other than those set forth in this Agreement will be effective unless memorialized in writing and signed by all parties or confirmed on the record before the Court. This Agreement, to become effective, must be signed by all of the parties listed below.

ANDREW T. BAXTER United States Attorney Northern District of New York

Dated: 10 8

Craig A. Benedict

Assistant U.S. Attorney

Bar Roll No. 101130

Dated: 10 8 2009 odd Glewan by Pas

Todd Gleason,

**DOJ Trial Attorney** 

Bar Roll No.

Dated: 10/4 . 2009

FRANK ONOFF

Defendant

Attorney for Defendant

Bar Roll No. 5679